

MEMORANDUM

TO: Service List

FROM: William H. Stevens, Jr., Hearing Officer

RE: Petition of the City of Cambridge, D.T.E. 04-65, Amended Petition by Cambridge; Company Response to Amended Petition; Evidence on Company Method of Determining Purchase Price

DATE: September 20, 2004

CC: Mary Cottrell, Secretary
Staff as assigned

I. INTRODUCTION

On June 16, 2004, the City of Cambridge ("Cambridge" or "City"), pursuant to G.L. c. 164, § 34A(d), filed a petition to resolve a dispute between the City and Cambridge Electric Light Company ("CELC" or "Company") ("Petition"). On June 30, 2004, the Company filed a response to the Petition ("Response"). On August 26, 2004, the City submitted a letter stating that it has "narrowed the issues in dispute" in this proceeding, along with an edited copy of the Petition.

On September 17, 2004, I conducted a procedural conference to discuss the Petition, the Response and the August 26 letter. We discussed how the August 26 letter and the Petition did not clearly frame the issue(s) in dispute, and lacked any evidentiary support to explain the dispute in detail. We also discussed how the Company did not substantively respond to many points raised in the Petition (Response at 1-3, 6, 12-15, 17, 22-25). Thus, neither the Petition nor the Response were sufficient to explicitly frame the alleged dispute between the City and the Company. Based upon our discussion, the City appears to have a dispute with the method of calculating the purchase price calculation as of December 31, 2003, provided by the Company ("CELC Calculation") (Petition, Att. C; Response §§ 7-9). The City agreed to file an amended petition no later than October 4, 2004. The Company agreed to provide a more substantive response to the City's amended petition and explanation of the CELC Calculation no later than October 18, 2004.

II. CITY'S AMENDED PETITION

As we discussed at the procedural conference, the City agreed that its amended petition shall include, but not be limited to, the following.

- An issue statement stipulating the dispute that Cambridge requests the Department to resolve in this matter. The issue statement must specifically describe what matters are in dispute, and the City's position on the matters that are in dispute.
- Competent evidentiary support that describes and analyzes the City's understanding of the Company's method of calculating the CELC Calculation, and that clearly explains, with supporting documentation and workpapers, why Cambridge disputes this method.
- Exact calculations and supporting analysis for any alternative method of calculating the purchase price. This evidence must be presented in a concise and easy to interpret manner and marked as provided in the Ground Rules to this proceeding.
- Supporting evidence on how the City believes the book value of the streetlights and related equipment should be allocated between public and private entities.

III. CLEC RESPONSE AND DESCRIPTION OF METHOD

At the procedural conference CLEC agreed to the following.

- CELC will submit a more legible copy of the CELC Calculation and identify the persons responsible for producing this document.
- CELC will also explain, in detail with supporting workpapers and documentation, the method the Company used in reaching the purchase price provided in the CELC Calculation.
- CELC will file a more substantive response to the City's amended petition.

At this time, the documentation the Department requests of Cambridge and CELC are the City's amended petition, CELC response, and CELC explanation of its method used in the CELC Calculation. However, the Company and Cambridge are free to exchange information on these documents in order to more fully explain their dispute to the Department.